R E M A R K S

In the Office Action dated July 8, 2003, claims 1 and 4-9 were rejected under 35 U.S.C. §103(a) as being unpatentable over Windel et al in view of Pauschinger, further in view of a document entitled "Strategy and IX Products" from Hughes Network Systems (hereinafter "HNS"). Claim 3 was rejected based on this combination, further in view of Emmett et al. These rejections are respectively traversed for the following reasons.

Applicants respectfully submit the Examiner has not established a prima facia case of obviousness under 35 U. S.C. §103(a), because the Examiner has not made any effort to identify, in the cited references, an element allegedly corresponding to the "first function unit" or an element corresponding to the "second function unit" as set forth in independent method claim 1. The method disclosed and claimed in the present application explicitly requires that at least some of the method steps be performed by one of these function units, and each of those function units is explicitly stated in claim 1 to be located in a security module. Therefore, in order to substantiate an obviousness rejection of claim 1 under 35 U.S.C. §103(a) it is necessary to locate teachings in the prior art which teach that the method steps of claim 1 are performed by these first and second function units, in the manner set forth in claim 1. Applicants respectfully submit the Examiner has not even located teachings in the prior art conforming to the basic method features of claim 1, much less teachings wherein those features are performed by first and second function units in a security module, as explicitly required in claim 1.

Moreover, the relevancy of the HSN reference to claim 1 of the present application is not understood. That reference is primarily directed to Internet

networking using various types of servers. Although the system disclosed in that reference may or may not make use of non-volatile memories (there is no explicit statement in that regard in the HSN article), there certainly is no teaching in that reference to employ a security module containing a non-volatile memory, as explicitly required in claim 1. The Examiner has stated that it is a matter of designed choice as to what type of data can be stored in a non-volatile memory, however, this still does not provide any teaching regarding the use of a non-volatile memory to store security data in a security module. Similarly, with regard to the Windel et al reference, the Examiner has stated that it is a matter of design choice to program whatever features are necessary for achieving a particular result. If these types of statements were sufficient to support a rejection under 35 U.S.C. §103(a), virtually every computer or processor arrangement would, according to the Examiner, be obvious, since they all involve a particular selection of programmed features and a particular selection of memory contents. If, as the Examiner has proposed, both of these selections are merely "design choices," then it is difficult to envision any type of computer or processor wherein such "design choices" are not made. It is encubment on the Examiner to identify specific citations to the references relied upon by the Examiner wherein teachings for a specific programmed feature or a specific stored memory item can be found, otherwise the Examiner is simply proposing an obviousness rejection based on what is within the capabilities of a person of ordinary skill in the art, or what would be "obvious to try." The United States Court of Appeals for the Federal Circuit in many decisions has stated that neither of these is the proper standard for assessing non-obviousness under 35 U.S.C. §103(a).

Moreover, with regard to the Windel et al reference, the Examiner has acknowledged that Windel et al does not disclose monitoring proper insertion of a security module. This is not surprising, because the apparatus disclosed in the Windel et al reference *does not have a security module.* The Windel et al reference makes use of secured data, protected by means of a security key, as schematically indicated in Figure 8 thereof, but does not have a security module in which such data or such a key are stored. The security key, as indicated in Figure 8, is merely contained in an internal OTP-ROM. Simply because a memory may happen to have security data stored therein does not mean that the memory then becomes a "security module." Particularly in the field of postage meters, a "security module" has a well understood meaning, and it is the module in which monetary data are stored, i.e. the electronic credit for use in franking. Applicants recognize that claim 1 uses only the term "security module," and does not explicitly describe the type of data stored therein, however, such a level of detail is not necessary to distinguish the method steps of claim 1 over the teachings of the Windel et al reference, even as modified by the secondary references.

Applicants respectfully submit it is hindsight in the extreme to propose modifying a reference which does not even contain a security module so as to include the step of monitoring a security module. Certainly no teachings in that regard are provided in any manner whatsoever by the HSN article, which the Examiner has apparently relied on as a teaching to modify the Windel et al reference in this regard.

The Examiner noted that the Windel et al patent makes reference to United States Patent No. 4,812,985 as teaching the use of sensors within a postage meter

-7-

machine for detecting manipulative activity (tampering), so as to set a flag in appropriate memories. All this may be an accurate description of the teachings of United States Patent No. 4,812,965, there is no teaching in the Windel et al reference as to how or whether such a technique could be incorporated in the apparatus disclosed and claimed in the Windel et al patent. The Examiner appears to believe that simply because a reference contains a statement regarding a particular reference, it would have been obvious to incorporate whatever is contained in that statement into the apparatus disclosed in the reference. Clearly, the provisions of 35 U.S.C. §103(a) require more than simply a listing of disjointed and unconnected statements regarding the teachings of various prior art references. Some linking teaching, motivation or inducement must be cited by the Examiner in order to properly substantiate a rejection under Section 103(a), and the Examiner has provided no linking teaching whatsoever with regard to the Windel et al reference, or United States Patent No. 4,812,965 discussed therein, or the HSN article.

As to re-initialization, the Examiner relied on a similar statement in the Pauschinger reference, regarding a teaching in another patent (United States Patent No. 5,590,198) to employ a removable meter insert which requires a user password for operating the franking system, and which can also be operated with a super password generated by a data center. Again, this is merely a statement of a particular teaching of a particular prior art reference and the Examiner has not provided persuasive argument as to how this individual teaching could be incorporated in the Windel et al system, particularly in view of the fact that there is no security module in the Windel et al apparatus. Moreover, the re-initialization which is

-8-

described in the Pauschinger reference, in the context of United States Patent No. 5,590,198, provides no teaching with regard to the operation or interaction of first and second function units, as set forth in claim 1 of the application. The statement cited by the Examiner merely informs a person of ordinary skill in the art that re-initialization can be accomplished by contacting a data center, or, if an appropriate super password is present, re-initialization can take place without contacting the data center. How this re-initialization takes place (i.e. whether it is by the interaction of first and second function units as set forth in claim 1) is nowhere disclosed or discussed in the Pauschinger reference.

Claim 1 has been amended to make clear that, as part of the monitoring of proper insertion, the second function unit detects a status indicating at least one of improper use and improper replacement of the security module and that the second function unit continues to monitor this status to determine its continued existence. If and when this status ceases to exist, the first function unit then initiates the re-initialization, and, in the last step of claim 1, after the re-initializing, the first and second function units are enabled to re-commission the security module. No such method steps are disclosed or suggested in the references relied upon by the Examiner. Even if some features of claim 1 may be conceptually described in the references separately and individually, there is no teaching in any of the references that those separately and individually described method steps should be performed by first and second function units, as explicitly required in claim 1.
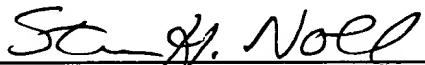
Claim 1, therefore, would not have been obvious to a person of ordinary skill in the art based on the teachings of Windel et al, Pauschinger and the HSN article. Claims 4-9 add further steps to the non-obvious method of claim 1, and therefore

would not have been obvious to a person of ordinary skill in the art under 35 U.S.C. §103(a), based on the references cited by the Examiner, for the same reasons discussed above in connection with claim 1.

As to claim 3, that claim incorporates the subject matter of claim 1 therein, and therefore even if the Examiner is completely correct with regard to his characterizations of the teachings of the Emmett et al reference, the basic Windel et al/Pauschinger/HSN combination does not teach the subject matter of claim 1, and therefore even if that combination were modified in accordance with the teachings of Emmett et al, a method as set forth in claim 3 still would not result. Claim 3, therefore, would not have been obvious to a person of ordinary skill in the art based on the teachings of the references cited by the Examiner.

All claims of the application are submitted to be in condition for allowance, and early reconsideration of the application is respectfully requested.

Submitted by,

Sx. H. Noel (Reg. 28,982)

SCHIFF, HARDIN & WAITE
CUSTOMER NO. 26574
Patent Department
6600 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
Telephone: 312/258-5790
Attorneys for Applicants.

CH1\ 4056980.1